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9 and MATROX TECH, INC.

10 UNITED STATES DISTRICT COURT  
11 NORTHERN DISTRICT OF CALIFORNIA  
12 SAN FRANCISCO DIVISION

13 RICOH COMPANY, LTD.,

14 Plaintiff,

15 vs.

16 AEROFLEX INCORPORATED, et al.,

17 Defendants.

Case No. C03-4669 MJJ (EMC)

**DEFENDANTS' MEMORANDUM OF  
POINTS AND AUTHORITIES IN  
OPPOSITION TO RICOH'S MOTION FOR  
SUMMARY JUDGMENT ON  
DEFENDANTS' AFFIRMATIVE DEFENSE  
OF AUTHORIZATION AND CONSENT**

Date: September 26, 2006  
Time: 9:30 a.m.  
Courtroom: 11, 19<sup>th</sup> floor  
Judge: Martin J. Jenkins

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23 **REDACTED PUBLIC VERSION**  
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1 **I. INTRODUCTION**

2 Ricoh's motion for summary judgment on Aeroflex's authorization and consent affirmative  
3 defense must be denied because there is incontrovertible evidence that some of Aeroflex's sales were  
4 authorized by the United States government and thus exempt from damages. As Ricoh already knows,  
5 Aeroflex has never contended that all of its sales were government sales. Instead, Aeroflex contends  
6 that some sales are government sales. Should the Court treat Ricoh's motion as a partial motion for  
7 summary judgment as to the ASICs on which Aeroflex actually claimed were government sales, it  
8 should be denied because there is clear evidence that the sales were government sales. Indeed, with  
9 regard to at least four ASICs it is clear that broad and unlimited consent was granted, and thus, there is  
10 no dispute that these sales were by and for the government and exempt from damages. With regard to  
11 fifteen other ASICs sold subject to the narrower authorization and consent clause, there is ample  
12 evidence of implied consent, which is sufficient to defeat summary judgment.

13 Finally, with regard to the ASICs Aeroflex sold to \_\_\_\_\_, Ricoh is well aware that its  
14 motion is based on a false premise.<sup>1</sup> In May, Ricoh served subpoenas on \_\_\_\_\_, major  
15 Aeroflex customers and government contractors. The subpoena requested documents that would have  
16 provided the links that Ricoh now claims are missing. When Ricoh was informed by \_\_\_\_\_ that it had  
17 the documents to prove authorization and consent, as well the prime contracts, and the information  
18 linking the authorization and consent clauses in the contracts to the Aeroflex purchase orders, Ricoh  
19 narrowed the scope of the subpoena only to request information on whether or not the use of Design  
20 Compiler was specified in the subcontracts, but then failed to disclose this information responsive to its  
21 subpoena to Aeroflex and the Customer Defendants until the day before this opposition was due, and  
22 only then at the request of counsel. Fink Decl. ¶¶ 2 & 3, Exs. 27 & 28.

23 Similarly, when Ricoh was informed by \_\_\_\_\_ that it needed simple information about the  
24 product numbers in order to identify responsive information, Ricoh failed to provide this information  
25 to \_\_\_\_\_, and again did not disclose the response from \_\_\_\_\_ to Aeroflex and the Customer  
26 \_\_\_\_\_

27 <sup>1</sup> This may also be the case with regard to the KD15A and KB11A. Aeroflex reserves the right to further address these  
28 issues since the responses to the subpoenas include substantive information that Ricoh withheld.

Defendants until August 31, 2006. Fink Decl. ¶ 4, Ex. 29. Thus, Ricoh filed this motion fully knowing that the documents containing alleged “missing details” do in fact exist, and can be subpoenaed to trial.<sup>2</sup> At a minimum the information regarding the sales that has been produced, by itself, creates disputed questions of fact that preclude summary judgment.

## II. FACTUAL BACKGROUND

During discovery, Aeroflex produced all relevant documents related to Aeroflex’s government contracts in response to Ricoh’s Sixth Set of Document Requests to Aeroflex, Inc. and Aeroflex Colorado Springs that were then in its possession, custody or control. In addition, Aeroflex designated Peter Milliken as a Rule 30(b)(6) witness on its section 1498 defense. On June 7, 2006, Ricoh took its third deposition of Mr. Milliken. Mr. Milliken testified that 22 ASICs listed in his declaration were either associated with Government contracts or that the contracts and supporting documents would have to be reviewed to make a determination. Fink Decl. Ex. 1 (Milliken) at 21-22; 114:2-10. However, during Mr. Milliken’s deposition, Ricoh’s counsel only asked questions about evidence concerning twelve of these ASICs. Evidence concerning the other ten ASICs Mr. Milliken identified as potentially subject to the § 1498 defense was not explored by Ricoh’s counsel at Milliken’s deposition.

On May 9, 2006 Ricoh served third-party subpoenas on entities associated with Aeroflex contracts and purchase orders for ASICs at issue.<sup>3</sup> On May 22, 2006 Ricoh also served a third-party subpoena on with which Aeroflex had a contract. Documents and responses to Ricoh’s subpoenas were provided as late as August 31, 2006.<sup>4</sup> Government prime contracts subject

<sup>2</sup> This is not a situation where the reliance on such documents at trial is prejudicial, but instead is simply an apportionment of damages issue. *See, e.g., TM Patents v. IBM*, 107 F. Supp. 2d 352, 354 (S.D.N.Y. 2000) (saying authorization and consent is a straight apportionment of damages issue). Indeed, the documents, on their face, will prove either that (1) the sales were by or for the government in a conclusive fashion because a broad express consent clause exists; (2) the sales were by or for the government because consent was implied due to some instructions; or (3) the sales were not by or for the government.

<sup>3</sup> The entities served were

<sup>4</sup> On August 31, 2006, upon the request of counsel, Ricoh provided responses from four parties, including and . Fink Decl., ¶¶ 3 & 4.

to FOIA requests were produced soon after they were received.

Aeroflex and third parties have produced documents showing that the following ASICs were sold pursuant to contracts that contain a broad unlimited authorization and consent clause (48 C.F.R. § 52-227-1 Alternate I):

ASIC	Prime Contract	Subcontract	Document Correlating Part Numbers	Subcontract Attachments	Testimony
KD15A	AF285665-AF285701	AF283616-AF283631	AF283705-AF283711		Milliken Dep. Tr. Vol. III, p. 21-22.
KB11A	AF285665-AF285701	AF283616-AF283631	AF283696-AF283704		Milliken Dep. Tr. Vol. III, p. 21-22.
KD26A	May be provided by	AF284350-AF284356	AF284411-AF284422; Milliken Dep. Tr. Vol. III, p. 157-158.	AF284314-AF284321 AF284329-AF284331 AF284322-AF284328	Milliken Dep. Tr. Vol. III, p. 21-22, 202.
KD28A	May be provided by	AF284423-AF284430	AF284439-AF284454	AF284329-AF284331	Milliken Dep. Tr. Vol. III, p. 21-22.

Aeroflex and third parties have produced documents evidencing that the following ASICs were sold in circumstances where there was implied consent, or at a minimum, there are disputed questions of fact as to implied consent:

ASIC	Prime Contract	Subcontract	Document Correlating Part Numbers	Subcontract Attachments	Testimony
KB07A	AF284985-AF285586	AF285592-AF285615;	AF285592-AF285597		Milliken Dep. Tr. Vol. III, p. 124-125.
KB10A	AF284574-AF284618	AF283989-AF283995	AF284011-AF284031		Milliken Dep. Tr. Vol. III, p. 124-125.
KM01A	AF284574-AF284618	AF283951-AF283956; Q361-Q528	AF283962-AF283982		Milliken Dep. Tr. Vol. III, p. 124-125.
KD12A	AF284574-AF284618	AF284032-AF284035	AF284042-AF284059		Milliken Dep. Tr. Vol. III, p. 124-125.
JD05A	AF284574-AF284618	AF283983-AF283985; Q227-Q261	AF283983-AF283985		Milliken Dep. Tr. Vol. III, p. 124-

ASIC	Prime Contract	Subcontract	Document Correlating Part Numbers	Subcontract Attachments	Testimony
					125.
KD24A	May be provided by <sup>5</sup>	AF284341- AF284349	AF284392- AF284402	AF284300- AF284305; AF284246- AF284249	Milliken Dep. Tr. Vol. III, pp. 21, 161-162, 202.
KD31A	May be provided by <sup>6</sup>	AF284207- AF284216	AF284221- AF284222	AF284279- AF284283	Milliken Dep. Tr. Vol. III, p. 21, 182.
KD32A	May be provided by	AF284112 – AF284120	AF284150- AF284156	AF283814 – AF283830	Milliken Dep. Tr. Vol. III, p. 21, 182.
KD33A	May be provided by	AF284112 – AF284120	AF284157- AF284163	AF283814 – AF283830	Milliken Dep. Tr. Vol. III, p. 21, 182.
KD34A	May be provided by	AF284112 – AF284120	AF284164- AF284170	AF283814 – AF283830	Milliken Dep. Tr. Vol. III, p. 21, 182.
KD35A	May be provided by	AF284112 – AF284120	AF284171- AF284177	AF283814 – AF283830	Milliken Dep. Tr. Vol. III, p. 21, 182.
KD36A	May be provided by	AF284112 – AF284120	AF284178- AF284184	AF283814 – AF283830	Milliken Dep. Tr. Vol. III, p. 21, 182.
KD37A	May be provided by	AF284112 – AF284120	AF284185- AF284191	AF283814 – AF283830	Milliken Dep. Tr. Vol. III, p. 21, 182.
KD38A	May be provided by	AF284112 – AF284120	AF284192- AF284199	AF283814 – AF283830	Milliken Dep. Tr. Vol. III, p. 21, 182.
KD39A	May be provided by	AF284112 – AF284120	AF284200- AF284206	AF283814 – AF283830	Milliken Dep. Tr. Vol. III, p. 21, 182.

This evidence precludes entry of summary judgment on this issue.

<sup>5</sup> As discussed above, \_\_\_\_\_ has indicated that it has documents responsive to Ricoh's subpoena. Aeroflex's counsel just received \_\_\_\_\_ response to the subpoena upon request on August 31, 2006.

<sup>6</sup> As discussed above, \_\_\_\_\_ has indicated that it has documents responsive to Ricoh's subpoena. Aeroflex's counsel just became aware of \_\_\_\_\_'s response to the subpoena on August 30, 2006.



### 1 III. ARGUMENT

2 Summary judgment should be denied because the § 1498 defense is applicable to Aeroflex  
 3 contracts performed for the U.S. government with government authorization and consent. Summary  
 4 judgment is proper only where the moving party establishes that there is no genuine issue as to any  
 5 material fact. Fed. R. Civ. P. 56(c), *see also Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986).  
 6 Ricoh bears the burden of establishing the absence of any genuine issue of material fact. *See Celotex*,  
 7 477 U.S. at 323-24. Once a properly supported motion for summary judgment is made, Aeroflex  
 8 “must set for the specific facts showing that there is a genuine issue for trial.” *Anderson v. Liberty*  
 9 *Lobby, Inc.*, 477 U.S. 242, 250 (1986). At the summary judgment stage, however, “the non-moving  
 10 party need not produce evidence in a form that would be admissible at trial.” *Celotex*, 477 U.S. at 324.  
 11 In conducting its analysis, the Court must also draw all reasonable inferences in favor of Aeroflex.  
 12 *Anderson*, 477 U.S. at 255.

#### 13 A. Defendant Aeroflex’s Sales Of Four ASICs Are Exempt From Damages Because 14 The ASICs Were Sold Pursuant To Government Contracts Containing An 15 Authorization And Consent Clause

16 Ricoh does not dispute that it is precluded from recovering damages on products made for the  
 17 United States Government. Section 1498 relieves a federal contractor of liability where the contractor  
 18 uses or manufactures an infringing invention for the United States. *Toxgon Corp. v. BNFL, Inc.*, 312  
 19 F.3d 1379, 1381 (Fed. Cir. 2002) (citations omitted). As indicated in Ricoh’s motion, a contractor uses  
 20 or manufactures an infringing invention for the United States if the United States government provides  
 21 its authorization and consent. Authorization and consent is specified in government contracts by  
 22 including the FAR clause of 48 C.F.R. § 52.227-1, as directed by 48 C.F.R. § 27.201- 2, into its  
 23 contracts in one of two alternative forms.

24 The first form, labeled Alternative I, provides as follows: “[t]he Government authorizes and  
 25 consents to all use and manufacture of any invention described in and covered by a United States  
 26 patent in the performance of this contract or any subcontract at any tier.” 48 C.F.R. § 52-227-1  
 27 Alternate I. Where the broad authorization and consent clause of Alternate I is present in a contract,  
 28 the allegedly infringing sales or actions pursuant to that contract action fall within the provisions of 28



1 U.S.C. § 1498.” *Madey v. Duke Univ.*, 413 F. Supp. 2d 601, 608 (M.D.N.C. 2006), quoting *Roberts v.*  
 2 *Herbert Cooper Co.*, 236 F. Supp. 428, 430 (D. Pa. 1959).

3 The second form provides for more limited authorization and reads as follows:

4 (a) The Government authorizes and consents to all use and manufacture,  
 5 in performing this contract or any subcontract at any tier, of any  
 6 invention described in and covered by a United States patent  
 7 (1) embodied in the structure or composition of any article the delivery  
 8 of which is accepted by the Government under this contract or (2) used  
 9 in machinery, tools, or methods whose use necessarily results from  
 10 compliance by the Contractor or a subcontractor with (i) specifications or  
 11 written provisions forming a part of this contract or (ii) specific written  
 instructions given by the Contracting Officer directing the manner of  
 performance. The entire liability to the Government for infringement of a  
 patent of the United States shall be determined solely by the provisions  
 of the indemnity clause, if any, included in this contract or any  
 subcontract hereunder (including any lower-tier subcontract), and the  
 Government assumes liability for all other infringement to the extent of  
 the authorization and consent hereinabove granted.

12 Section 52.227-1(a).

13 Thus, sales or uses of a patented invention are for the United States pursuant to the second form  
 14 authorization and consent clause if: (1) the infringement use or sale is embodied in the structure or  
 15 composition of any article delivered to the United States; or (2) used in machinery, tools or methods  
 16 whose use necessarily results from compliance by the contractor with written specification or specific  
 17 instructions. Consent under this provision, thus, is generally implied consent.

18 Aeroflex’s ASICs KB11A and KD15A are explicitly authorized to use the patented process.  
 19 Aeroflex’s sales to \_\_\_\_\_ of the KB11A and KD15A ASICs occurred under a prime U.S.  
 20 Government contract containing Alternate I of the authorization and consent clause under § 52.227-1.  
 21 Contract number \_\_\_\_\_ between Aeroflex and \_\_\_\_\_ states that it is issued under  
 22 prime contract number F04701-99-C-0027 (“the ’0027 contract”). Fink Decl. Ex. 2, at p. 1. The ’0027  
 23 contract originated through the United States Air Force and is between its Space and Missile Systems  
 24 Center and Lockheed Martin Missiles and Space Company. Fink Decl. ¶ 5, Ex. 3, at p. 1. The ’0027  
 25 contract contains Alternate I of the authorization and consent clause under § 52.227-1. *Id.* at p. 30.  
 26 Contract \_\_\_\_\_ concerns the development of semi-custom ASICs for \_\_\_\_\_, which  
 27 were designated by Aeroflex as the KD15A and KB11A. Fink Decl. Exs. 4 at p. 2; 5 at p. 2. The  
 28 KD15A and KB11A ASICs are described in the Milliken Declaration as for a military program. Fink

Decl. Ex. 17. Moreover, Aeroflex specified in its quotation to that “UTMC will use Synopsys tools to synthesize the netlist.” Fink Decl. Ex. 6, at p. 1. Therefore, Ricoh’s assertions that Aeroflex cannot prove its § 1498 defense are wrong.

Aeroflex’s KD26A and KD28A ASICs are also explicitly authorized to use the patented process. Aeroflex and also conducted business under contracts containing express government authorization and consent clauses. Aeroflex’s contracts with were for various satellite programs, including the Wideband Gapfiller System and Virgo. Fink Decl. Exs. 7 at p. 1; 8 at p. 1. The Wideband Gapfiller Program is subject to Government prime contract F040701-00-C-0001. *See, e.g.*, Fink Decl. Ex. 9. Purchase order number NNB8-884572 states that and are incorporated into the contract by reference. Fink Decl. Ex. 8 at p. 1. is a purchase order attachment that lists FAR clauses incorporated into the contract by reference. Section 52.227-1 is incorporated. Fink Decl. Ex. 10 at p. 2. sets forth special provisions and modifications to purchase order attachments. Fink Decl. Ex. 11. Section B of the Attachment states that Alternate I of 52.227-1 is to be added to attachment . *Id.* at p. 6. The purchase order between and Aeroflex concerned item number 5962R04B0103VYC. Fink Decl. Ex. 8 at pp. 2-4. This item number correlates to Aeroflex part number KD26A. Fink Decl. Ex. 12 at p. 1. Accordingly, Aeroflex’s sales of KD26A to were governed by an express authorization and consent clause under Alternate I.

Aeroflex’s sales of KD28A to are similarly covered by express authorization and consent. Purchase order for KD28A also incorporates and . Fink Decl. Ex. 13 at p. 1. Part number 5962R04B0103VYC, versions and , were sold under that contract. *Id.* at 3-5. That part number correlates to Aeroflex ASIC KD28A. Fink Decl. Ex. 14.

Accordingly, this evidence provides clear and incontrovertible proof that authorization and consent governed these specific Aeroflex sales. Therefore, there is express authorization and consent for these four accused products under the broad Alternate I, such that § 1498 applies. On this basis alone, Ricoh’s motion for summary judgment should not only be denied but Ricoh should be precluded at trial from seeking damages based on these sales.

**B. Defendant Aeroflex's Sales of Fifteen Other ASICs Are Exempt From Damages Because There is Ample Evidence of Implied Consent**

Ricoh does not dispute and the law is well-settled that authorization and consent can be implicit. The dispute relates to whether or not instructions between subcontractors can create implicit consent. It can. In the first instance, there can be implicit consent without an authorization and consent clause at all. *See, e.g., TVI Energy Corp. v. Blane*, 806 F.2d 1057, 1060 (Fed. Cir. 1986) ("To limit the scope of § 1498 only to instances where the Government requires by specification that a supplier infringe another's patent would defeat the Congressional intent to allow the Government to procure whatever it wished regardless of possible patent infringement."). Moreover, § 52.227-1 grants Government authorization and consent for use of a patented invention to fulfill "any subcontract at any tier." (emphasis added). Section 2(i) of § 52.227-1 permits authorization and consent if use of a patented method "necessarily results from compliance by ...a subcontractor with (i) specifications or written provisions forming a "part" of the contract." Because § 52.227-1 covers subcontracts at any tier, specifications or written provisions in those contracts are subject to § 52.227-1 (2)(i). Moreover, government subcontractors understand that this provision of § 52.227-1 is not applicable to only the Government prime contract contracting officer. For example, Fixed Price Government General Provisions expressly provides that in paragraph (a)(2)(ii) of § 52.227-1, "the term 'Contracting Officer' shall mean 'Contracting Officer through .'" Fink Decl. Ex. 15, at p. 5).

At a minimum, the subcontractor instructions create disputed questions of fact relating to implied consent that preclude entry of summary judgment with respect to certain specific ASIC sales. In *Madey v. Duke*, 413 F. Supp. 2d 601, 619-22 (M.D.N.C. 2006), the court refused to grant summary judgment on a § 1498 defense where it determined that testimony and other evidence presented at trial was necessary to determine the scope of government authorization and consent. *Id.* at 619-22. The court in *Madey* addressed circumstances similar to those in the present case. For example, Duke asserted that Duke's research proposal under a government grant containing the standard form of § 52.227-1 constituted "instructions" from the government sufficient for finding implied consent. *Id.* at 619. The court found that the proposal was incorporated into the contract and that the evidence was insufficient for the court to determine whether the alleged use of the patented inventions "necessarily

1 resulted” from the use. *Id.* at 620. The court accordingly held that the issue must be resolved at trial.  
 2 *Id.* Here, Aeroflex quotations and purchase orders both explicitly and implicitly contain specifications  
 3 for use of Synopsys tools for synthesis, and a determination of whether compliance with the  
 4 specifications required use of those tools is an issue to be decided at trial; not on summary judgment.

5 The court in *Madey v. Duke* also considered whether three Government contracts in the case  
 6 were sufficient to convey the Government’s implied authorization and consent. *Id.* The contracts did  
 7 not contain any express clauses, yet the court still found summary judgment inappropriate and allowed  
 8 for evidence of implied consent to be presented at trial. *Id.*

9 Aeroflex’s contracts with regard to KB07A, KB10A, KM01A, KD12A, and JD05A contain  
 10 written specifications implying authorization and consent. KB07A was designed with implicit  
 11 government authorization and consent. A contract between Aeroflex and  
 12 contains a written specification for the use of Synopsys tools for a component of the Space Station  
 13 under NAS15-10000. Contract number between , formerly  
 14 <sup>7</sup>, and Aeroflex states “UTMC to synthesize the the [sic] furnished BIF  
 15 netlist using Synopsys [sic].”<sup>8</sup> Fink Decl. Ex. 16 at p. 5. The contract between Hamilton Sundstrand  
 16 and Aeroflex concerned an Aeroflex product designated as KB07A. *Id.* at p. 4. KB07A is a product  
 17 listed on Mr. Milliken’s Declaration. Fink Decl. Ex. 17. The contract specifies that Synopsys tools  
 18 were to be used to synthesize the netlist and the purchase order is governed by prime contract NAS15-  
 19 10000. Section 52.227-1 is incorporated into NAS15-10000. Fink Decl. Ex. 18 at I-2. Section 52-  
 20 227-1 is applicable to this subcontract as a result, granting the Government’s implicit authorization and  
 21 consent for Aeroflex’s allegedly infringing use of Design Compiler to perform this contract.

22 KB10A, KM01A, KD12A, and JD05A were designed with implicit government authorization  
 23 and consent. Contracts under Government prime contract NAS5-01091 direct UTMC to “synthesize  
 24 the netlist producing a structural representation.” *See, e.g.*, Fink Decl. Exs. 19 at p. 3; 20 at p. 3.  
 25 Contract NAS5-01091 was issued by the NASA Goddard Space Flight Center and it incorporates §

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26  
 27 <sup>7</sup> sold its to in 2001.

28 <sup>8</sup> The cited contract is one of many change orders containing the same relevant provision.

1 52.227-1. Fink Decl. Ex. 21 at p. 34. The purchase orders containing this specification are between  
 2 Aeroflex and the for production of custom radiation hardened ASICs for a NASA  
 3 telescope. *See, e.g.*, Fink Decl. Ex. 22. The KB10A, KM01A, KD12A, and JD05A are all accused  
 4 Aeroflex ASICs developed for the same NASA project under contract NAS5-01091. *See* Fink Decl.  
 5 Exs. 22 at p. 3; 23 at p. 3; 24 at p. 3; 25 at p. 1.

6 Aeroflex stated in its quotations to the for these ASICs that UTMC would use its  
 7 “standard HDL design flow,” which includes Design Compiler. *See, e.g.*, Fink Decl. Ex. 25 at p. 1.  
 8 Aeroflex also generally states in its quotations that it uses Synopsys synthesis tools. *See*, Fink Decl.  
 9 Ex. 1 (Milliken) at 124-25. Mr. Milliken testified that Aeroflex’s standard design flow includes  
 10 Synopsys tools, and that customers are typically “Synopsys-industry oriented.” *Id.* at 124:16-20; 125;  
 11 127:6-7. Moreover, Mr. Milliken testified that specific design specifications necessitate use of  
 12 Synopsys tools. *Id.* at 188:20-22; 189:1-16. Accordingly, where written specifications or quotations  
 13 for use of Synopsys tools existed between Government contractors, the Government implicitly granted  
 14 its authorization and consent by awarding the contract, and the § 1498 defense is applicable.

15 As to the KD31A, KD32A, KD33A, KD34A, KD35A, KD36A, KD37A, KD38A, KD39A and  
 16 KD24A, Ricoh is aware of evidence of implicit authorization and consent. With regard to the ASICs  
 17 sold to , Ricoh is well aware that its contention that there is a lack of admissible evidence is false.  
 18 In May, Ricoh served a subpoena on , a government contractor for whom Aeroflex designed nine  
 19 of the accused ASICs, that account for more than \$2 million of sales. The subpoena requested  
 20 documents that would have provided the links that Ricoh now claims are missing. When Ricoh was  
 21 informed by after an initial search that it had many of the documents to prove Authorization and  
 22 Consent, as well the Prime Contracts, and the information linking the Authorization and Consent  
 23 clauses in the contracts to the Aeroflex Purchase orders, but that it would be a significant effort to find  
 24 all responsive documents, Ricoh narrowed the scope of the subpoena only to request information on  
 25 whether or not the use of Design Compiler was specified in the subcontracts. Fink Decl. at ¶ 2. Ricoh  
 26 then failed to disclose this information responsive to its subpoena to Aeroflex and the Customer  
 27 Defendants until the day before Aeroflex’s opposition to their Motion was due. Thus, Ricoh filed their  
 28 Motion fully knowing that the documents containing alleged missing details do in fact exist, and can

1 be subpoenaed for trial. In addition, the information regarding the sales that has already been  
 2 produced, by itself, creates disputed questions of fact that preclude summary judgment.

3 There is a similar situation with respect to the KD24A. Ricoh served a subpoena on in  
 4 May 2006. In its response to the subpoena, said that it needed information as to the products at  
 5 issue in order to determine what information was responsive. Ricoh never provided that information to  
 6 , and did not provide 's response to Aeroflex's counsel until the day before this  
 7 opposition was due. Again, Ricoh filed its Motion knowing that there are relevant documents that  
 8 likely contain the alleged missing details.

9 Mr. Milliken identified the KD24A as subject to a government contract and developed for .  
 10 Fink Decl. Ex. 1 (Milliken) at p. 22; p. 60. Mr. Milliken further explained that a contract defined the  
 11 "requirements of the synthesis of the KD24A." *Id.* at p. 68. From the purchase orders, it appears as  
 12 though the KD24A is part of the Wideband Gapfiller Program, which is subject to Government prime  
 13 contract F040701-00-C-0001. The information about the KD24A that has already been produced, by  
 14 itself, creates disputed questions of fact precluding summary judgment.

#### 15 IV. CONCLUSION

16 For the foregoing reasons, Ricoh's motion should be denied. As to four of the ASICs, Aeroflex  
 17 has undisputed evidence to support its § 1498 defense because the contracts have an express  
 18 authorization and consent clause. As to the other fifteen ASICs, there are – at a minimum – disputed  
 19 facts relevant to implied consent that, as a matter of law, prevent the granting of summary judgment on  
 20 this issue.

21 Dated: September 1, 2006

Respectfully submitted,

22 HOWREY LLP

23 By: /s/Denise M. De Mory

Denise M. De Mory

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 26 SPRINGS, INC., AMI SEMICONDUCTOR,  
 27 INC., MATROX ELECTRONIC SYSTEMS,  
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